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Nixon, Muskie Close Out Bitter U.S. Election Drive

The Outlook

Senate: Republican Gain of 3 Seats
House: Slight Gains by Democrats
Governors: Democratic Gain of 6

By David S. Broder

WASHINGTON, Nov. 2 (WP)—It is possible that tomorrow night will bring President Nixon the realization of his impossible dream of electing a Republican Senate. But it is highly unlikely.

Instead, Mr. Nixon is likely to hear that his party has made only minor inroads on the supposedly vulnerable Democratic majority, while Democrats have held or boosted their margin of control in the House and made major gains in the ranks of governors.

Thus, this curiously convoluted 1970 election—in which the parties have reversed their normal roles—seems likely to end in a result as negative or nebulous, from the President's viewpoint, as the campaign itself has been.

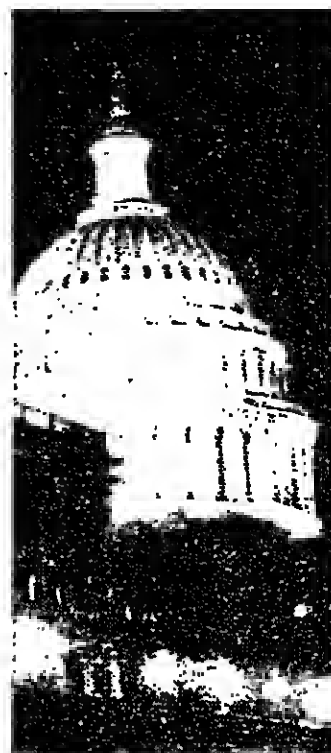
Normally, an off-year election year is judged by the extent of the opposition party's recovery from its previous presidential defeat. When Mr. Nixon led the Republicans in a dramatic comeback from the ruinous losses of the Democratic landslide of 1964, for example, that was the big news of the 1966 election.

But this year, the situation is so unusual that different yardsticks will have to be used. The historical precedents about the opposition party gaining an average of 29 House seats and three Senate seats in each of the last five mid-term elections have no relevance.

Democrats retained their congressional majorities and suffered minimal losses at the statehouse level during Mr. Nixon's paper-thin presidential victory in 1968. This year, they were more concerned about defending 45 Senate seats than looking for gains among the ten Republican incumbents.

And the President's party—instead of being on the defensive—has mounted a major offensive to take over the Senate and to consolidate its strength in the House and the state capitols for the coming redistricting battles and the 1972 presidential year.

In pursuit of that goal, Republicans have raised and spent about five times as much money on the current campaign as the Democrats. Mr. Nixon and Vice-President Spiro T. Agnew have campaigned in 35 of the 50 states. With help from



President, Senator Go on TV

By Fred Farris

WASHINGTON, Nov. 2—One of the hardest fought midterm election campaigns in American history ends tonight with a nationally televised exchange between President Nixon and his leading Democratic rival.

A last-minute arrangement provided 15 minutes of prime network time for a replay of a tough speech against "creeping permissiveness" made Saturday by President Nixon, followed by a 15-minute rebuttal by Sen. Edmund S. Muskie of Maine.

Sen. Muskie is considered a leading contender for the Democratic presidential nomination in 1972, and tonight's exchange may turn out to be a preview of the campaign two years hence.

Mr. Nixon's speech condemned what he called "appeasement" of the "thugs and hoodlums" who "terrorize decent citizens" and disrupt national order.

His slashing attack stemmed from the violent demonstration in San Jose, Calif., last Thursday, when protesters shouted obscenities and reportedly threw eggs and stones at Mr. Nixon's car.

In his reply, Sen. Muskie urged the voters to put aside "the politics of fear" that he said the Republicans were advocating in favor of "the politics of trust—not just for leaders and policies but for trust in your fellow citizens."

He said "there is no issue of law and order or of violence" and denounced what he said were GOP efforts to imply that Democratic candidates condoned violent dissent.

The Maine senator charged: "There has been name-calling and deception of almost unprecedented volume. Honorable men have been slandered, their patriotism doubted."

"It has been led, inspired and guided from the highest offices in the land."

Democrats Protest

Over Democratic protest, the weekend brought half-hour arguments on each of the three major networks tonight for the Phoenix, Ariz., speech in which President Nixon most clearly stated his administration's campaign theme—denunciation of the "radical few" who, using violent dissent, seek to impose their demands on the nation.

Democratic National Chairman Lawrence P. O'Brien asked the networks for free time to respond to what he said was a GOP "effort to saturate and control the public airwaves" on the eve of "the critical elections of 1970." Sen. Muskie also asked for free time.

The networks refused free time but, with Republican concurrence, agreed to sell the Democrats half the time originally reserved by the GOP. Two wealthy Democrats said a newly organized committee would provide the estimated \$150,000 for the 15 minutes.

Mr. O'Brien, in a short radio statement for broadcast tonight, charged that the Republicans were "attempting to hide their failures by depicting the violence" that beset President Nixon last Thursday in San

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ROUND OPENS—Strategic Arms Limitation Talks resumed yesterday in Helsinki. From left, front row, Gerard Smith, U.S. negotiator; Vaino Leskinen, Finnish foreign minister; and Vladimir Semyonov of the U.S.S.R.

Both U.S., Russia Express Hope

LT Talks Resume in Cordial Tone

ernard Gwertzman
KI, Nov. 2 (NYT)—The U.S. and the Soviet Union resumed their talks on limiting strategic arms in a cordial tone with both sides expressing hope that progress would be made on curbing the arms race.

Chief American delegate, Gen. Brent Scowcroft, director of the Arms Control and Disarmament Agency, said "significant progress" had been made in the third round of talks. Soviet Minister Vladimir Semyonov said the talks had "achieved a great deal" and that the two sides had reached a "common understanding" on the complex problems of achieving a permanent and lasting peace.

He said the talks had been "very fruitful" and that the two sides had reached a "common understanding" on the complex problems of achieving a permanent and lasting peace.

Big 4 Seen In Accord on Berlin Pact

By James Goldsborough

PARIS, Nov. 2—West German Foreign Minister Walter Scheel today sketched the terms of a Berlin agreement that has taken shape and could be approved at the next meeting of the Big Four on Wednesday.

Mr. Scheel, who was meeting with French Foreign Minister Maurice Schumann prior to flying to Warsaw for the final stage of negotiations with Poland, left the firm impression that the Big Four already are in "substantial agreement."

The plan, as both he and the French explained it, calls for a Big Four written agreement regarding access to Berlin. Following this, the Big Four would delegate to the governments of East and West Germany and the Berlin Senate the responsibility for holding talks to implement the agreement and work out details.

Report Back to U.S.

Once the all-German talks had advanced, the Germans would then report back to the Big Four.

This two-tiered system of talks apparently would be acceptable to everybody. It allows the Big Four to control what the Germans come up with, gives the West Germans the opportunity for improvement in the Berlin situation and gives the East Germans an important role in the negotiations. The Ulbricht government now seems to have been swung into line by Moscow.

Mr. Schumann asked if an agreement was likely at Wednesday's meeting. "We'll know in a few days, but there is no reason to be pessimistic," he said.

Referring to Soviet Foreign Minister Andrei A. Gromyko's visit to West Germany last Friday, Mr. Schumann said, "I don't think Mr. Gromyko would have gone to the Federal Republic if it hadn't been to help out the chancellor (Willy Brandt) in his task."

French in Agreement
What made progress all the more likely was Mr. Scheel's reference to following the Gromyko meeting. "The French today stress their 'complete agreement' with the formula, and French

(Continued on Page 2, Col. 3)

Estimate of World's A-Atoms: 15 Tons of TNT Per Person

By Bernard Weinraub

LONDON, Nov. 2 (NYT)—Explosives on armaments throughout the world leveled off last year, but nuclear stockpiles were vast enough to blast every person in the world with the equivalent of 15 tons of TNT, a wide-ranging survey of armaments and disarmament said today.

The survey also said that the United States was ahead of the Soviet Union in the arms race but that the Soviet Union had "caught up rapidly" in one category—land-based intercontinental missiles.

"Generally speaking, the United States appears to be the pace-setter in the large-scale incorporation of new technologies into its armory," said the Yearbook of the Stockholm International Peace Research Institute. Copies of the yearbook were issued today in London.

"Broadly speaking, the United States is rapidly introducing multiple warheads and, less rapidly, the ABM (anti-ballistic missile) while not now deploying more long-range delivery vehicles, it is going ahead strongly with the development of new types."

The survey was the second one sponsored by the institute, set up in 1966 to celebrate Sweden's 150 years of unbroken peace. The institute's financing is provided by the Swedish government, although the research group is independent.

Balfour Anniversary Strike in Gaza Strip

GAZA, Occupied Gaza Strip, Nov. 2 (AP)—More than 40,000 students at government and refugee schools struck classes today, the 53d anniversary of the Balfour Declaration, occupation officials said.

The Balfour Declaration gave British support for the establishment of a Jewish national home in Palestine. There are about 110,000 students attending schools in the strip.



SEARCH ENDS—A family grieves beside a coffin in the gymnasium of the school in Saint-Laurent-du-Pont, after its search for a child missing in the dance-hall fire. The death toll rose to 144 and an open murder charge was filed. Story on Page 4.

High Stakes in Governorships

By David S. Broder

CANTON, Ohio, Nov. 2 (WP)—"What would it mean politically if I win this race?" mused John J. Gilligan, the red-haired former congressman who is running for governor of Ohio. He was repeating a question from a newsmen riding in Mr. Gilligan's car down a rain-slick highway after a fund-raising dinner the other night.

"Well," he said, "this is supposed to be the year of Spiro Agnew and the hard hats, when everything in politics is moving to the right. But if I stand old Ohio elects a liberal Democrat like me and a couple of other

big states do the same thing in their governorships, then maybe we'll decide that Agnew isn't the wave of the future after all."

Mr. Gilligan's answer was echoed—with minor variations—by Democratic candidates and party leaders in other major industrial states, where Democratic challenges of unabashed liberal tendencies are seeking to end the Republicans' decade of dominance in the state capitols.

Currently, Republicans fill the governor's chairs in 32 of the 50 states, including every one of the ten largest states except Texas, whose incumbent Democrat, Preston Smith, is

being hard-pressed by a Republican in his re-election bid.

Seven of the nine big Republican governorships—Illinois and New Jersey being the exceptions—are up for grabs this year. Democrats have put up strong challengers in all seven races and in five of the seven are currently rated ahead or in close contention.

Though overshadowed by the national battle for control of the Senate, the fights for these key governorships could have major long-term consequences for national politics.

A week-long swing through the major gubernatorial battles

(Continued on Page 3, Col. 2)

Archbishop for 26 Years

Cardinal Cushing, 75, Dies at Boston Home

BOSTON, Nov. 2 (UPI)—Richard Cardinal Cushing, an immigrant blacksmith's son who became a prince of the Roman Catholic Church and intimate friend of the Kennedy family, died shortly before 2 p.m. today.

Death came two hours after officials of the archdiocese of Boston, which he led for 26 years, announced that he was in "critical" condition.

He died at his home in the Brighton section with the Most Rev. Humberto S. Medeiros, who succeeded him as archbishop of Boston last month, at his bedside.

Chancery officials did not disclose the nature of the 75-year-old cardinal's latest medical problems, but it was reliably reported to be cancer. The cardinal reportedly had been confined to his bed for several days.



Richard Cardinal Cushing

Long, Varied Career

BOSTON, Nov. 2 (NYT)—Cardinal Cushing, in 26 years as the head of one of the largest and most important archdioceses in the Roman Catholic Church in America, presided over a major period of transition of his church.

It was a period in which his Irish kinsmen moved more surely into the social and economic establishment of New England to be replaced by the newer Spanish-speaking immigrants who used the church institution as a shield during their own adjustment to a new society.

When young Cushing entered the priesthood, the church was one of the few avenues of social mobility open to the Irishmen of the slums of Boston. Near the end of his career, the aging cardinal stood beside a young Irish Roman Catholic from Boston who had been elected President of the United States.

High School Dropout

Born in south Boston in 1895, the future cardinal was the son of Patrick and Mary Dehili Cushing. His father was a blacksmith for the city's trolley lines. His mother was a housekeeper before her marriage. The third of five children, young Richard attended public

schools but dropped out of South Boston High School.

His parish priest and an uncle from Brooklyn pushed him back

(Continued on Page 4, Col. 3)

U.S. Asks 1975 End to Oil Dumping at Sea

By Terence Smith

WASHINGTON, Nov. 2 (NYT)—In an attempt to combat the growing problem of oil pollution on the high seas, the United States has proposed a sweeping new international agreement to do away with the practice of flushing oil tankers at sea.

The U.S. proposal calls for the elimination of tank-flushing—a prime source of ocean pollution throughout the world—by 1975. It also calls for intensified research into the effects of oil spills and the preparation of international contingency plans to cope with major spills.

The proposal was put forward today in Brussels by Transportation Secretary John A. Volpe at the Oil Spills Conference of NATO's Committee on the Challenges of Modern Society.

The proposal is certain to be a controversial one, since it would require major change in ship design and the construction of extensive

port facilities to receive the waste, oily bilge and ballast waters that are now discharged at sea.

Mr. Volpe took note of this in his speech, but described the elimination of tank-flushing as a "major and essential goal—well worthy of the effort required."

"There is no doubt that the burden of achieving this goal will require a major effort by U.S. industry," he said, "but we know it can and must be accomplished and that it will have a dramatic effect on the marine environment."

If approved, the agreement would be more far-reaching and inclusive than all of the existing and pending legislation and treaties that regulate the spillage of oil at sea.

To counter the pollution, which is primarily the result of oil tankers flushing the residue from their empty tanks while at sea, the United States is calling on the 15 NATO nations to resolve to achieve by 1975 a complete ban on intentional discharge of oil ships throughout the world.

and oily wastes into the oceans by tankers and other vessels.

In addition, the United States is proposing that immediate steps be taken to achieve the following:

- Acceleration of research into the effects of oil spills.
 - Development of technology to prevent spills and of methods to remove oil once it is on the ocean.
 - Establishment of more effective international ship construction standards.
 - Improvement of operating procedures and training programs for shipboard personnel and the preparation of international contingency plans for coping with major spills.
- Officials here noted that if NATO should succeed in implementing such an agreement, it could become the pattern for a wider treaty that might ultimately eliminate the practice of oil-discharge that beset President Nixon last Thursday in San

French Aid Might Be Used in Israel War

Libyan Rejects Strings to Arms Use

LONDON, Nov. 2 (Reuters).—Maj. Abdul Salam Jalloud, deputy premier of Libya, said tonight his country would not hesitate to use tanks purchased from Britain in an attack on Israel.

Repeatedly emphasizing that Libya would not allow any strings to be attached to purchases of British weapons, he told reporters that Libya "naturally" would use tanks to recover land now occupied by Israel, which Arab countries regarded as their own.

He also said Libya would use

French Mirage aircraft in the same way if need arose.

(In Paris, it was noted that French Prime Minister Jacques Chaban-Delmas had said last January during a nationally televised interview that France was selling Libya 100 to 110 Mirages with the understanding they would not be used against Israel except in defense.)

(Mr. Chaban-Delmas said that if the initial Mirage deliveries were used against Israel, the full 100 ordered would not be delivered, and

that Libya would be placed under the same embargo that now covers Israel, Egypt, Syria and Jordan.)

In a press conference lasting nearly two hours, Maj. Jalloud strongly criticized Israel as an expansionist, aggressive country.

He also estimated that Britain owes Libya up to \$120 million in connection with air defense contracts and other arms agreements not honored by Britain after the government of former King Idris was deposed in a coup last year.

But he indicated he expected new arms agreements would be reached with Britain despite present difficulties.

Here on a brief visit, Maj. Jalloud had a one-hour talk today with Foreign Secretary Sir Alec Douglas-Home. The Libyan leader goes home tomorrow, but a technical delegation will carry on arms talks here.

Maj. Jalloud said he was more optimistic about relations after his meeting with Sir Alec, but his replies to questions indicated his hope was based more on the atmosphere of talks than on concrete decisions.

'A Fresh Start'

A member of his staff said: "We know we have to make a fresh start in relations."

Maj. Jalloud noted that Britain is the third largest exporter to Libya, and said he did not think the British government would jeopardize future relations over present difficulties.

He said a new air defense agreement to replace the one negotiated in 1953 could open the door in future Anglo-Libyan relations.

At another point, he said Libya was hoping to buy tanks, radar equipment, trucks and cars.

Libya had originally contracted to buy Chieftain tanks from Britain, but Maj. Jalloud said Britain later changed its mind because of internal changes in its cabinet.

Under the previous government, he said, the British arms contract had contributed to the corruption of political life in Libya.

Accord Seen On Berlin

(Continued from Page 1)

sources said they were "pretty sure" the other members of the Big Four also agreed.

The sources said that Mr. Gromyko had told Mr. Scheel that from the Soviet point of view, a detailed agreement on access to the city was possible.

If, as Mr. Schumann suggested, Moscow wants to help out Mr. Brandt, progress at the Wednesday meeting could be a way.

The meeting comes just four days before an important German state election in Hesse, in which losses for Mr. Scheel's Free Democratic party could prove disastrous both for the FDP and the coalition government.

Key to Improvement

The key to an improvement in the Berlin situation, as far as Western diplomats are concerned, is whether the Soviet Union is willing to force East Germany to ease up on the physical restraints. In the past, the Soviet position has been that it was an East German affair, not a Soviet one.

However, the Western insistence on practical improvements in access to Berlin as a pre-condition to getting on with the Soviet-backed security conference, plus Bonn's insistence that the Berlin situation be improved before the Bundestag ratifies the German-Soviet non-aggression pact, has, according to some observers, encouraged a certain Soviet flexibility.

Commenting on that pact and the possibility of one with Poland, Mr. Scheel said today that the German Ostpolitik would have repercussions on all of Europe. The German Foreign Ministry spokesman added at a press conference that failure of the Ostpolitik "would have incalculable consequences for all of Europe."

Polish Good-Will Treaty

WARSAW, Nov. 2 (UPI).—Mr. Scheel arrived today for final talks on a good-will treaty with the Polish government covering recognition of Poland's post-war Western border on the Oder and Neisse rivers.

Mr. Scheel and his Polish counterpart, Stefan Jedychowski, hoped to initial the treaty at the conclusion of their talks to pave the way for improved Bonn-Warsaw relations with the prospect of an exchange of ambassadors next year.

UN Panel Says Israel Violates Human Rights

UNITED NATIONS, N.Y., Nov. 2 (UPI).—A committee of experts reported to the General Assembly today that Israel was guilty of violating the human rights of Arabs in territories occupied after the June, 1967, war and proposed that a neutral protective power be appointed to safeguard them.

Israel immediately rejected the report as a "compilation of outdated and already refuted Arab propaganda allegations and distortions... an organized propaganda exercise, wanting in minimal judicial guarantees."

The committee, consisting of representatives of Ceylon, Somalia and Yugoslavia, spent several months this year in Arab countries and held hearings in various European capitals. It was not permitted to enter Israel or Israeli-occupied territories.

Atomic Arms Stocktaking

(Continued from Page 1)

out that the Soviet Union has now completed its re-equipping of the Arab armies following the six-day war. "An estimated \$160 million in major weapons were supplied during 1969," said the institute. "A further increase is expected in 1970."

"An interesting feature of Soviet major weapons exports is the concentration on a few countries," said the report. "India and the U.A.R. together accounted for over 80 percent of total Soviet supplies during 1969. India now gets the bulk of its weapons from the Soviet Union. Other countries which received major weapons from the Soviet Union during 1969 were South Yemen, Pakistan, Sudan, Mauritania and Nigeria."

The Soviet Union is the second-largest supplier of major weapons, following the United States, which exported nearly half the total of major weapons around the world.

"Major weapons exports from the United States have nearly doubled (over the previous year)," said the institute. "In the Middle East, the United States has become the primary supplier to Israel since the French embargo. Major U.S. supplies to Israel in 1969 amounted to \$110 million."

Over the survey says, the value of major weapons—aircraft, ships, missiles and tanks—supplied to "third world" or Asian and African countries amounted to \$15 billion in 1969. This is lower than the peak year, 1967, when weapons supplies amounted to \$19 billion.

Although the Soviet Union poured arms into the United Arab Republic, the survey points out that Soviet weapons supplies actually fell, possibly because of the fear of dependence on the Soviet Union by some receiving countries.

The survey added, "The fall between 1967 and 1969 is due to the reduction in Soviet supplies to the Middle East and North Vietnam. The re-equipping of the Arab armies after the six-day war is now complete. Since the United States halted the bombing of North Vietnam, there has probably been a drastic cut in the supply of anti-aircraft missiles to that country."

Algerian Amnesty

ALGIERS, Nov. 2 (Reuters).—A hundred people, including some sentenced by the Algerian Revolutionary Court last year, have been granted amnesty to mark the 16th anniversary of the Algerian revolution, the official Algerie Presse news agency announced Saturday.

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Hedi Nouira UPI

New Premier Is Appointed By Bourguiba

TUNIS, Nov. 2 (UPI).—President Habib Bourguiba announced today that he had replaced Bahi Ladgham as prime minister of Tunisia. The Tunisian president said he had appointed Hedi Nouira, formerly the economy minister, to head the government.

The Tunisian president said Mr. Ladgham, who had been the head of government in fact since independence, and was given the title of prime minister in November, 1969, had long ago asked to be relieved from his duties.

"He had brought up the subject many times, and each time I asked him to be patient," President Bourguiba said.

The Tunisian president said that on termination of Mr. Ladgham's present mission in the Middle East, where he is heading the Arab commission overseeing the cease-fire between Jordanians and Palestinian guerrillas, the former prime minister will be given a special ministerial post and will act as the president's personal representative or envoy.

"The success of Mr. Bahi Ladgham in the Middle East has reinforced the prestige of Tunisia. Thus I have unburdened him so that he can devote himself to the mission which has been entrusted to him by the Arab summit," the president said.

Haile Selassie Marks 40th Year on Throne

ADDIS ABABA, Ethiopia, Nov. 2 (UPI).—Emperor Haile Selassie celebrated his 40th anniversary on the throne of Ethiopia today with a speech at the opening of parliament and a cathedral thanksgiving service.

Selassie, at 78 second only to Emperor Hirohito of Japan as the world's longest-reigning head of state, outlined his government's major accomplishments during the last year as intensification of a development program, improved education and steps to eradicate disease.

However, he said, "the capital inflow from abroad has not been up to our expectation," despite new investment opportunities and the opportunity for work in Ethiopia.

Diplomats Allowed to Meet Captive U.S. Generals Again

MOSCOW, Nov. 2 (UPI).—Two American diplomats flew to Armenia today for their second interview with four U.S. Army generals—held there by the Russians since Oct. 21.

Peter B. Swiers and Richard E. Combs Jr., second secretaries at the U.S. Embassy here, arrived at Yerevan, the Soviet Armenian capital, and were expected to be taken to Leninakan, where the officers have been held since they landed there after accidentally crossing the Soviet-Turkish border in a Beechcraft plane.

The officers are Maj. Gen. Edward C.D. Scherrer, Brig. Gen. Claude M. McQuarrie Jr., Maj. James P. Russell Jr., and Col. Cevat Demel, a Turkish liaison officer.

Mr. Swiers and Mr. Combs met with the four officers Oct. 29. At the time Maj. Russell, the pilot, told them his plane was blown across the border by strong winds as he was making landing approaches to the Turkish city of Kars, 50 miles from Leninakan.

Despite claims that the plane crossed the border accidentally, the Russians maintained that the incident was a manifestation of "aggressive policies" of Washington.

Soviet officials say the incident is still under investigation.

Western diplomats say they are still optimistic about prospects for the release of the four officers.

Italy-Peking Tie Reported Near

ROME, Nov. 2 (Reuters).—Negotiations between Italy and China to establish diplomatic relations have reached an advanced stage, but predictions of an announcement within 48 hours are premature, informed sources said today.

The agency said it was still not clear how Italy would vote in the United Nations this month when the question of Chinese membership in the organization comes up.

China Revives Summit Call to End A-Arms

'64 Bid Repeated After Japanese Visit

TOKYO, Nov. 2 (AP).—China has revived its six-year-old call for a world summit conference to prohibit and destroy nuclear weapons.

The Chinese first proposed such a meeting on Oct. 16, 1964, immediately after their first nuclear test explosion. The idea was dismissed by Western powers as too unwieldy to be effective.

The proposal was referred to the end of a long communique marking the visit to Beijing of a Japanese Socialist party mission headed by chairman Tomomi Narita.

'Struggle Against War'

Distributed by the New China News Agency today, it said:

"Both sides unanimously express the determination to struggle against nuclear war and for complete prohibition and thorough destruction of nuclear weapons."

"The delegation of the Japanese Socialist party supports the stand of China that at no time and in no circumstances shall China be the first to use nuclear weapons and China's proposal that a summit conference of all the countries of the world, big and small, be convened to sign an agreement on the complete prohibition and thorough destruction of nuclear weapons and, as a first step, to reach an agreement on not using nuclear weapons."

"The original proposal said that as a first step 'the summit conference should reach an agreement to the effect that the nuclear powers undertake not to use nuclear weapons, neither to use them against non-nuclear countries and nuclear-free zones, nor against each other.'"

It said nothing about prior halt to testing. The Chinese have refused to sign the Nuclear Non-Proliferation Treaty and since the 1964 blast have detonated 11 other nuclear weapons, including a hydrogen bomb.

Linked to Narita

There was no explanation for the inclusion of the summit proposal in the today's communique. However, it is likely that it was done at Mr. Narita's insistence.

President in Peking when the 1964 bomb was exploded, he publicly and privately expressed his delegation's shock at the test. The Socialists were involved then in a vigorous campaign against nuclear weapons, with the United States as its target.

The communique follows the publication of the Japanese government's "white paper" declaring that it would not arm itself with intercontinental missiles, strategic bombers or other advanced weapons but would, theoretically, possess small nuclear weapons.

The statement also coincides with the opening of the third round of talks in Helsinki today between the United States and Russia on the curbing of the strategic arms race.

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Mrs. Meir in Ottawa

OTTAWA, Nov. 2 (Reuters).—Prime Minister Golda Meir of Israel arrived here today for talks with Canadian Prime Minister Pierre Trudeau and External Affairs Minister Mitchell Sharp on the Middle East situation. Tight security precautions surrounded her arrival.

The 15 were those that got the question of "restoration of the lawful rights of the People's Republic of China in the United Nations" on the agenda of the 127-nation assembly's current 24th session. They met this morning at the Algerian UN mission.

Because Communist China has been reported more eager lately to come to the UN than during the recent Cultural Revolution, there has been speculation that it might settle for a softer resolution hinting that Nationalist China might be allowed to remain.

Last year's resolution, like those of earlier years, would have had the assembly recognizing Peking representatives "as the only lawful representatives of China to the United Nations" and "expel forthwith the representatives of Chiang Kai-shek."

The Nationalist President, Chiang Kai-shek, said the vote against it was 55-45. Twenty-one countries abstained from the voting.

The countries at the meeting were Algeria, Albania, the Congo Republic, Cuba, Guinea, Iraq, Mali, Mauritania, Romania, Southern Yemen, Sudan, Syria, Tanzania, Yemen and Zambia.



OIL SLICK VICTIM—An inspector of the Royal Society for the Prevention of Cruelty to Animals picks up a cormorant trapped in oil on the Kentish coast. It is feared that the oil is seepage from the damaged tanker Pacific Glory, aground in the English Channel.

Law-and-Order Pressures

Caracas Police Crack Down; 20 'Drug Addicts' Are Slain

By H.J. Maidenberry

CARACAS, Venezuela, Nov. 2 (UPI).—Here is No. 19, a police official said as he handed out photographs to newsmen Saturday.

No. 19 was Ramon Augusto Castro, a 24-year-old convicted purse-snatcher and housebreaker. He was shot to death by narcotics bureau agents before thousands of shopkeepers in the fashionable Sabana Grande district of Caracas at 3 p.m. Saturday. He was said to have tried to hold up a merchant with a toy pistol.

Police Say He Fired

Police officials said later that Castro had fired a 22-caliber revolver at the agents. This weapon and half a pound of marijuana, said to have been taken from his body, were shown to newsmen by police agents.

"We understand that No. 20 will be ready for your Sunday editions soon," the agents said.

No. 20, Juan Arellano, sought as the leader of a gang of Colombian thieves, was killed by the police in the provincial town of San Cristobal, near the Colombian border. Arellano, who was 20 years old, had allegedly attacked narcotics agents with a knife during an attempted robbery.

Police Kill 20

The police have killed the 20 men, all described as drug addicts, since early last month as part of Operation Vanguard, an effort to stem public outcry against an alarming recent increase in crime and drug addiction in Venezuela.

The government fears, moreover, that law-and-order pressures could undermine the democratic system of government here.

Before the drive, government officials had taken pains to cover or soften any hint of brutality or harshness on the part of security forces.

Now, they hint broadly that the police have orders from "high up" to "put files in the mouths" of drug addicts and other criminals seeking someone to blame for killing someone.

Police agents killed five alleged addicts and pushed last Thursday and Friday. Three were shot in the back.

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15 Countries Seek Once Again to Seat Peking in UN

UNITED NATIONS, N.Y., Nov. 2 (AP).—Fifteen nonaligned and Communist countries agreed today to submit a resolution that would have the General Assembly oust Nationalist China and seat Communist China in the United Nations.

The 15 were those that got the question of "restoration of the lawful rights of the People's Republic of China in the United Nations" on the agenda of the 127-nation assembly's current 24th session. They met this morning at the Algerian UN mission.

Because Communist China has been reported more eager lately to come to the UN than during the recent Cultural Revolution, there has been speculation that it might settle for a softer resolution hinting that Nationalist China might be allowed to remain.

Last year's resolution, like those of earlier years, would have had the assembly recognizing Peking representatives "as the only lawful representatives of China to the United Nations" and "expel forthwith the representatives of Chiang Kai-shek."

The Nationalist President, Chiang Kai-shek, said the vote against it was 55-45. Twenty-one countries abstained from the voting.

The countries at the meeting were Algeria, Albania, the Congo Republic, Cuba, Guinea, Iraq, Mali, Mauritania, Romania, Southern Yemen, Sudan, Syria, Tanzania, Yemen and Zambia.

Driver Cited For Murder By Pakistan

Charged in Death Of Polish Official

KARACHI, Pakistan, Nov. 2 (UPI).—Police today filed murder charges against a man who drove a truck into a reception line for President Marjan Sychalski, killing "Death to Communism."

Four persons, including a woman, the Polish deputy minister, were killed. Karachi police identified an airport ground as Feroz Mohammad. They said he was a member of the Pakistan International Corporation Union.

Witnesses said that Mr. Sychalski, who was on a five-day official visit to Pakistan, was killed when he was struck by the truck. They said that he made a dash for the gate when the truck came to a stop at the airport retaining fence.

Off Duty Employee

Police said that Mr. Sychalski was off duty when he entered the airport. The plane was brought Mr. Sychalski from Lahore on the fourth of a five-day official visit to Pakistan. They said that he made a dash for the gate when the truck came to a stop at the airport retaining fence.

The truck, traveling 20 mph, struck the dignitary, dragging three of the bodies from the impact.

Mr. Sychalski and his wife were not hit but were knocked ground in the confusion.

Return to Warsaw

WARSAW, Nov. 2 (UPI).—President Sychalski returned this afternoon aboard a plane carrying Mr. Wolinski.

The Polish Communist party, Wladyslaw Gomułka, has large group of top government officials that met the Air Force plane at a military port.

Newsmen were not allowed the airport, which was guarded by steel-helmeted air force armed with carbines.

The only foreign diplomats sent were from the Soviet Embassy.

Spanish Painter Mars Fre By Picasso to Win 'Attention'

VALLAURIS, France, Nov. 2 (AP).—A huge fresco by Pablo Picasso, "War and Peace," was partly obliterated by paint over the weekend by a Spaniard who said he wanted to attract Picasso's attention to the difficulties that a young unknown painter had to get acceptance.

Police said the vandal turned himself in today in Nice. They identified him as Salvador Llorens, 35, who was born in Picasso's hometown of Malaga and works as a dishwasher in Lezardrie because he cannot support himself as a painter.

Mr. Llorens-Torres used a paint roller on the fresco. The section covered showed four soldiers with arms extended toward a dove.

Mr. Picasso, who lives in nearby Mougins, said he was prepared to restore the fresco.

Police said the vandal had left notes in Spanish saying he had acted through idealism. One note was addressed to Mr. Picasso.

When he turned himself in, police quoted Mr. Llorens-Torres as saying:

"I am responsible for the done to the Picasso fresco. This act I wanted to attract attention of my compatriot Picasso to the difficulties that a young unknown painter had to get acceptance."

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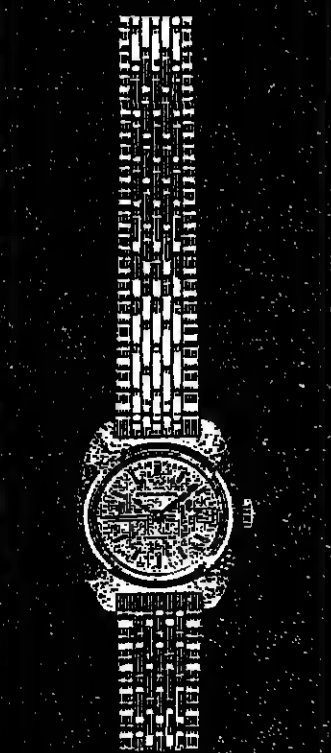
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BRIEF ENCOUNTER—Bonn Foreign Minister Walter Scheel (left) and his French counterpart, Maurice Schumann, in Paris Monday before the German left for Poland.

Swing to Democrats Republicans Expected to Gain Senate, Lose House Seats

(Continued from Page 1)

how much this extra-investment of presidential and prestige and paragonization and funds will be the Republicans. This re-election survey, based on interviews with party leaders and field reports from a Washington Post report, a local newspaper comments in the 50 states, as:

net gain for the Republicans of one to three Senate seats and short of the pickup to overturn the Democratic 57-43 majority.

standoff or slight Democratic—probably less than in the House, where they hold a 246-189 majority.

net gain of six or seven seats for the Democrats in the House, where they hold a 246-189 majority.

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seat won either by Conservative James L. Buckley or less plausibly—Sen. Charles E. Goodell, a Republican, rather than being captured by Rep. Richard L. Ottinger, Democrat.

Win from the Democrats in eight of the following nine states: Connecticut, Florida, Indiana, New Jersey, North Dakota, Ohio, Tennessee, Texas and Utah.

That is obviously a large order, if not an outright impossibility. Republicans trail in the latest reports from Connecticut, Florida, New Jersey, North Dakota and Utah. So the President's main hope likely will not be realized.

Democrats Favored

As for the House, the most recent Gallup poll points to the Democrats gaining about a dozen seats. Officials of both parties look for a somewhat smaller net shift, because a Republican redistricting of New York last year is expected to cost the Democrats as many as four seats in that state alone.

For the most part, each party sees its best opportunities for gains in districts where the opposition incumbent is retiring, running for another office or was defeated in a primary. Democrats have an advantage here, for Republicans have 22 "open seats" to defend and Democrats only 11. Also, Democrats have 58 incumbents without major-party or significant independent opposition, while Republicans have only five in the "free-ride" category.

Aside from New York, Republicans see their main chance for House gains in California, Connecticut, New Jersey, North Carolina, Texas and Virginia. Democrats are looking for victories in Alaska, Indiana, Kansas, Kentucky, Maryland, Minnesota, Ohio, Utah and Wisconsin.

Should the late-blooming Democratic trend blossom, there might be bigger House gains—perhaps 15 seats. But more significant for 1972 presidential and congressional politics is the likelihood of major Democratic gains this year in the governorships, an area of Republican strength for the last eight years.

Barring upsets, Republicans will re-elect their governors in the two largest states, California and New York. But Democrats are favored to take over governorships in Alaska, Florida, Minnesota and Ohio, and are within striking distance of victory in 11 more states: Arizona, Arkansas, Idaho, Michigan, Nebraska, Nevada, New Mexico, Pennsylvania, South Dakota, Vermont and Wisconsin.

Key Governorship Fights May Have Long-Term Effect

(Continued from Page 1)

grounds indicates that Democratic victories in tomorrow's vote would be likely to:

Strengthen liberal forces within the Democratic party in advance of the fight for the 1972 presidential nomination by giving control of major state delegations to the party's nominating convention to men linked by philosophy and personal association to the Kennedy wing of the party.

Give the Democrats a chance to neutralize or offset expected Republican gains from reapportionment and redistricting of seats in the House of Representatives by next year's state legislatures.

Increase the obstacles to 1972 and perhaps force a sharp change in his political tactics over the next two years.

These changes are, of course, dependent on Democratic victories in the state battles. Currently, the Democrats are rated ahead in Ohio and Florida, in strong contention in Pennsylvania, Michigan, and Massachusetts.

The striking fact about the Democratic gubernatorial contenders is that they all classify themselves as moderates or liberals. California's Jesse M. Unruh, for example, wrote the basic civil rights statutes for California; Massachusetts' Kevin White led the fight for state takeover of welfare payments in the state.

All of them would probably subscribe to the statement made by New York's Arthur J. Goldberg in a speech last month, when he said: "I am a Democrat and a liberal one. I do not apologize for this nor will I deviate from convictions I've held throughout my adult life. I believe the people of this state want liberal and progressive government."

Urban-Minded to a Man

Almost to a man, they are advocating substantial increases in state and federal programs for education, law enforcement, control of pollution and of drug abuse, housing, job training and health care.

All of the Democrats can be classified as urban-minded candidates. All live in big cities or their suburbs and all look to the metropolitan areas of their states for their major support. Within the Democratic party, all the aspirants but Florida's Reubin O'Donovan Askew have



TRAIL'S END, AT LAST—Workmen this weekend took one of the best-known statues in the United States, "End of the Trail," by James Earle Fraser, on a 75-foot trip that art and history buffs hope will be its last. The 55-year-old statue of a wounded Indian on a falling horse was acquired by the National Cowboy Hall of Fame in Oklahoma City in 1968. Since then it has been kept in a temporary shelter, but Saturday it was moved to a new wing of the museum to be placed alongside other Western works by Fraser.

Nixon, Muskie Close Out Bitter U.S. Vote Drive

(Continued from Page 1)

Jose, Calif. He said: "All of us deplore the violence."

Mr. O'Brien said at a news conference today that the \$7,300 big short broadcast would cost was all the Democrats—who face a \$9.2 million deficit—could afford. Yesterday, he estimated the three prime-time segments the Republicans bought for tonight cost \$300,000 and asked the networks to give free time to both parties.

Sen. Muskie, who was the vice-presidential nominee in 1968, was said by aides to intend to "respond to the Republican tactics of fear and division which threaten to tear this country apart," in his 15-minute speech.

Whatever effect the last-minute TV drive will have on the voters who tomorrow elect a new House of Representatives, 35 senators and 35 governors, it comes in the wake of new national polls reporting a pre-

ponderant Democratic sentiment across the nation.

The Gallup Poll today said it found Americans preferred Democratic congressional candidates by 53 to 47 percent. The Harris survey gave the Democrats a 46-to-37-percent edge.

If the Republicans do pick up a couple of Senate seats—they have abandoned hope of controlling the Senate—it will be largely due to President Nixon's and Vice-President Spiro T. Agnew's tough campaigning. The President, in speeches across the country, has urged the voters to give him men in the Senate who will support his programs, and Mr. Agnew has urged defeat of those he calls the "radical liberals" in the Senate who, he says, would weaken America and condone violent dissent.

Some political commentators see this campaign as one that failed to develop a useful dialogue on critical issues. Rather, they say, it dealt with symbols only and will leave a residue of bitterness that will spell more trouble for President Nixon.

The Fair Campaign Practices Committee said it had received twice as many complaints about dirty tactics in Senate campaigns this year as in 1968 or 1969.

Today, Mr. Nixon was accused of trying to feed the flames of hatred throughout the nation for his own political gain.

Former Ambassador W. Averell Harriman, representing a specially formed Committee for National Unity, said at a press conference today: "President Nixon and Vice-President Agnew talk of nothing but fear and division of our country. They are trying to exploit fear for their own advantage."

"We never thought it possible that the President and Vice-President would try to take over the Republican party for the conservative wing."

The committee, made up of Democrats, is headed by Mr. Harriman. Co-chairmen include Mrs. Coretta King, widow of Dr. Martin Luther King Jr.; Sargent Shriver, former ambassador to France; United Auto Workers president Leonard Woodcock; United Steelworkers president I. W. Abel; and John D. (Jay) Rockefeller, West Virginia's secretary of state.

Mr. O'Brien's radio talk said the economic problems—not violence—are the real issues in the election. "The issues that will determine how you and your family will live in the next two years."

Yesterday, Vice-President Agnew said after a two-hour meeting in San Clemente, Calif., with President Nixon that the Democrats were using "the big lie" to raise unfounded fears that the nation is facing "a recession, depression or worse."

"The Democrats are using the kind of fear or scare tactics that they continuously accuse me of using," Mr. Agnew told reporters.

He said Democratic candidates for the Senate in California, Utah and Nevada have predicted the Nixon administration will close or cut back activity at key military bases, with a great number of people thrown out of work.

"I want to brand those statements . . . false and maliciously false," he said.

While the incumbent, Ronald Reagan, may give the Republicans control of California—the major prize in the redistricting game—losses in the other big states could more than offset it. Democratic redistricting could cost the Republicans as many as 18 House seats in Michigan, New York, Ohio and Pennsylvania, according to knowledgeable officials in those states—more than offsetting the nine-seat House gain Republicans think possible in California.

All of which adds up to high-stakes political poker in this year's gubernatorial races.

Reassignment of House Seats Likely to Aid GOP

By Warren Weaver Jr.

WASHINGTON, Nov. 2 (NYT)—The effect of the 1970 census in depriving ten states of a dozen House seats and reassigning them to six other faster-growing states appears almost certain to benefit the Republican party.

Although there is considerable uncertainty, particularly as to the current legislative elections in the states involved, the best estimate now is that the redistribution of House districts as a result of shifting national population trends will increase the number of Republican seats by five or six, costing the Democrats the same number.

This could be of major political significance in the 1972 congressional elections, the first under the Supreme Court-imposed reapportionment since the recording of the 1970 census. The Republicans, who are now 31 seats short of a House majority, are expected to hold the Democrats to a virtual standoff in tomorrow's election, then make their major try for control in 1972.

A Running Start

If the predicted impact of shifting districts is correct, it could give the GOP a running start on the next campaign, reducing the size of the gain the party needs for a majority to 30 or perhaps even 25, a reasonable figure for the party holding the White House in a presidential election year.

The estimates deal only with the impact of the census on moving House districts from one state to another. In addition, most states will be required to redraw their congressional districts to reflect movement of population within the state.

All the actual redrawing of district lines is done by state legislatures. In a state in which the governor and both houses of the legislature are controlled by the same party, a new pattern of districts, frankly partisan but entirely legal, can often be drawn to favor that party materially.

The chief potential example is California, which gains five seats as a result of the interstate shift in population alone. Three or four of these seats seem likely to become Republican.

But some admit drafting by a Republican legislature—if Gov. Ronald Reagan's anticipated re-election produces one—could raise that party gain to ten or even 12 seats.

N.Y. Also an Example

A secondary example is New York, which automatically loses two seats, both likely to be Democratic, where the internal readjustment of lines could result in an additional Democratic loss of two or three seats—if Gov. Nelson A. Rockefeller is re-elected with Republican Senate and assembly majorities.

This is a somewhat chancier proposition than that in California.

In very broad political terms, the 12 seats that are being transferred to the fast-growing states are going, except for one in Connecticut and one in Colorado, to the "sun belt." Florida, Texas, Arizona and California, where the population gains involve older people and relatively prosperous technologists, many of them Republicans.

A survey by correspondents of The New York Times of the ten states that will lose House seats and the six that will gain, while admittedly dependent on a measure of informed speculation at this point, bears out this generally Republican picture.

Of the 12 districts that will be transferred to other states, only four—in Alabama, Ohio, Oklahoma and North Dakota—are now represented by Republican congressmen. The rest—

in Iowa, New York, Pennsylvania, Tennessee, West Virginia and Wisconsin—now appear likely to take Democrats with them.

But when these districts elect representatives in their new states—five in California, three in Florida and one each in Arizona, Colorado, Connecticut and Texas—the lineup now appears likely to be nine to three in favor of Republicans, or possibly even ten to two.

New State Agency Accused

Suit Charges Okla. Blacklists Dissidents

By Martin Waldron

OKLAHOMA CITY, Nov. 2 (NYT)—The state of Oklahoma is being challenged in court over its secret files of data, compiled with the help of federal funds, on about 6,000 persons who are considered to be actual or potential troublemakers.

A lawyer for the Oklahoma Civil Liberties Union said last week that he believed that several Oklahomans have been "blacklisted" as a result of dossiers compiled by the state's Office of Intergovernmental Coordination. The state denies that.

The Oklahoma and American Civil Liberties Unions filed suit in U.S. District Court here last week seeking to have the secret state agency disbanded and its files destroyed.

Stephen Jones of Enid, who represents the Oklahoma Union, said that several Negroes and whites who had taken part in peace rallies or racial demonstrations had begun having trouble finding jobs or getting into college.

Rejected as Teacher

One young man who helped edit a controversial underground newspaper was rejected as a teacher by 20 school districts even though he had top grades and excellent references, Mr. Jones said.

Gov. Dewey F. Bartlett said that the agency keeps no blacklist and makes its information available only to qualified police agencies for

"intelligence purposes." The information enables the police to plan to prevent civil disorder, Gov. Bartlett said.

A spokesman for the agency said it had "files" on 6,000 individuals, about 2,000 of whom are Oklahomans. The others are known troublemakers such as Angela Davis from other states.

Permission was refused for an inspection of the files. A spokesman for the agency said Gov. Bartlett had ordered that only police officers "with a need to know" be allowed to see information collected by the agency. It is under the control of the Oklahoma National Guard.

Fall on Legal Protest

The ACLU suit alleges that the purpose of the agency is to "harass and intimidate." The suit says the effect of this is "to cast a pall over lawful political protest in the state of Oklahoma and to deter [dissidents] from exercising their First Amendment rights."

It says there is a climate of fear that the agency's information "will be released to numerous federal and state agencies and to private employers upon request."

Most of the agency's information is gathered from newspapers and is made available to the FBI as well as to Oklahoma police agencies.

In addition to clipping newspapers, the agency hires part-time investigators and cameramen to attend rallies.

Created by Bartlett

The interagency unit was created by a memorandum in June, 1968, by Gov. Bartlett, who is a Republican.

A retired Army lieutenant colonel, James J. DeFrate, was hired to head it.

To supplement the \$27,000 sup-

10 Die in Canada Lake

GODBOUT, Quebec, Nov. 2 (Reuters)—Provincial police have recovered the bodies of ten men from Lake Achigan, 40 miles north of this St. Lawrence River community. A police spokesman said a search was under way for two others, believed to have been part of a group whose boat apparently overturned.

pled by the Oklahoma National Guard, the agency applied to the Law Enforcement Assistance Administration, a division of the Justice Department, for money under a 1968 law that provided for federal funds to improve local law enforcement.

A spokesman in Washington said the Oklahoma agency received \$29,953 in federal funds.

Atlanta Man Charged

In Fight-Fan Robbery

ATLANTA, Nov. 2 (AP)—An Atlanta man has been charged with the robbery to which more than 100 fans were lured by engraved invitation after the Muhammad Ali-Jerry Quarry fight.

The police identified the man as Houston Jimmy Hammonds, 27, and said he had admitted purchasing a shotgun discarded by one of the masked bandits as they left the house with loot officers now estimated could run twice as high as the \$100,000 to \$200,000 first estimated.

Eight masked bandits left with the loot after luring the victims to what they thought was a party.

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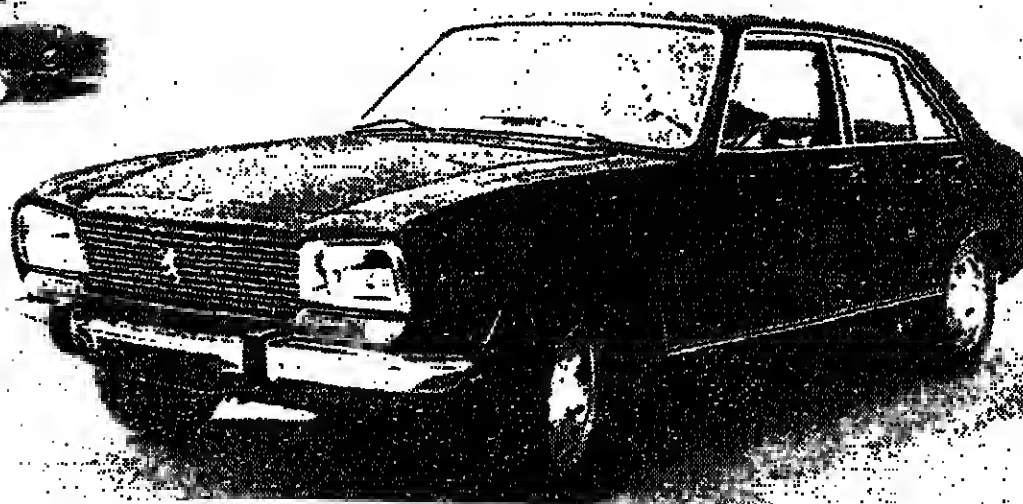
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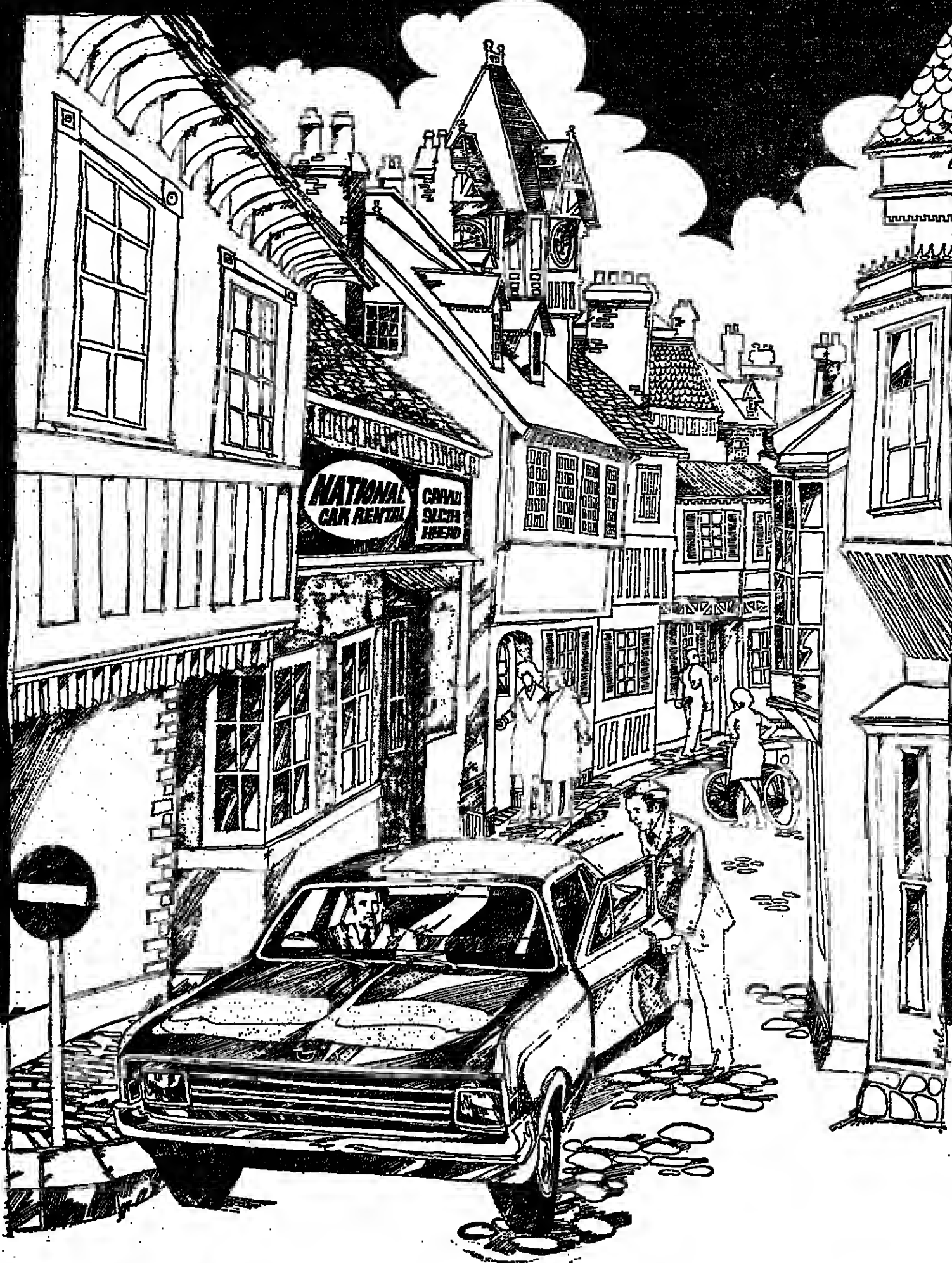
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35 1/2	16 1/2	Chrysler	50	x358	24 1/2	24 1/2
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2883	Helm, Hn 177	36	254	254
74	Helen, Ctr	9	198	191
1354	Helen, Ctr	9	198	191
1355	Helen, Ctr	9	198	191
1040	Helm, Hn 177	36	254	254
2034	Helm, Hn 177	36	254	254
2374	Helm, Hn 177	36	254	254
2174	Helm, Hn 177	36	254	254
2884	Helm, Hn 177	36	254	254
2885	Helm, Hn 177	36	254	254
2886	Helm, Hn 177	36	254	254
2887	Helm, Hn 177	36	254	254
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2989	Helm, Hn 177	36	254	254
2990	Helm, Hn 177	36	254	254
2991	Helm, Hn 177	36	254	254
2992	Helm, Hn 177	36	254	254
2993	Helm, Hn 177	36	254	254
2994	Helm, Hn 177	36	254	254
2995	Helm, Hn 177	36	254	254
2996	Helm, Hn 177	36	254	254
2997	Helm, Hn 177	36	254	254
2998	Helm, Hn 177	36	254	254
2999	Helm, Hn 177	36	254	254
3000	Helm, Hn 177	36	254	254

23%	HouS	in11	36	17	25%	28%
6%	HouS	ind	.80	23	9%	9%
23%	HouS	p1	2.25	2	26	26
12%	HouS	Miff	.40	8	15%	15%
29%	HouS	H	1.20	73	38%	39%
9%	HouS	p14	.40	9	11%	11%
35%	HouS	p12	.50	9	44	46%
45%	HouS	p12	.57	4	58%	58%
34%	HouS	TP	1.20	29	40%	40%
42%	HouS	SLP	.80	31	51%	52%
39%	HouS	p11	.50	2	47%	47%

Prices on Nov. 2, 1970

400	Dickens	1.45	1.
180	Oisc Mrs	1.20	1.
600	East Sull	5.05	4.
2340	Endako	13.50	12.
2273	Granoble	11.00	10.
2275	Gurnar	1.26	1.
200	High Bel	3.00	3.
800	Holling	25.37	35.
300	Int Hall	2.10	1.
400	Int Megul	10.25	10.
7030	Km Kotia	1.34	1.
		1.32	1.

30%	700	Labrad	33.50	33.00
+0.5	1675	L Duff	15.62	15.12
8%	100	La Luz	8.80	8.40
22% + 1/8	550	Leitch	1.05	1.00
20% 1/2	1001	LL Lac	2.20	2.10
19% 1/4	1049	Madeline	3.35	3.20
9%	320	Mattias	25.75	25.00
7% + 1/8	50	Newcom	6.00	6.00
19% 1/2	7800	New Imp	2.02	1.90
10% 1/2	1375	Open	11.30	11.00
25% + 3/8	160	Orchen	3.50	3.25

7%	300	Palmox	2.25	22.5
9%	300	Palma	30.00	30.00
10%	1190	Pine Pt	32.50	33.25
6 1/2%	385	Placer	32.25	31.80
35%	2800	Rayrock	1.28	1.28
17	1491	Btarrnrt	17.25	17.00
12 3/4%	200	Stiffid	2.35	2.29
30%	4675	Siscoc	2.09	1.91
5 1/2%	4478	Sheep R	2.50	2.2
19 1/2%	1750	Sullivan	5.50	5.25
9 1/2%	362	Track A	6.90	6.80
12%	225	Tribag	.80	.80

13 1/2	100 Un Keno	5.25	5.5
41 1/2-7 3/4	100 Upp Can	2.10	2.20
10 1/4	2400 W Mines	3.85	3.9
5 1/2-1 1/4	1500 Yk Bear	5.00	4.75
20 1/2-3 1/2			
16 1/2			
42 1/2-1 1/2	800 Alminer	5.20	5.4
11 1/2-1 1/2	10735 B P Oil	5.05	4.9
10 1/2-1 1/4	1209 Cen Del	10.87	10.4
10 1/2-1 1/4	4155 Clark C	2.67	2.7
10 1/2-1 1/4	6580 Dynam	1.20	1.1
10 1/2-1 1/4	409 G1 Plain	28.90	27.5

32	-	%
15	-	%
7	-	%
30		
24%		
7	-	1%
20½	-	%
5	+/-	30
8½	+/-	1%
5½	-	1%
9	+/-	10

72	+ 1/4		
73	+ 1/4		
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99	+ 1/4		
100	+ 1/4		

27%	990	Imps. Road	127%
22%	10050	Molson A	127%
22%	300	Phoenix Cn	0.60
57%	700	Power	Ca
28%	4300	Procs	7%
1%	1400	Royal Bank	27%
1%	643	Royal Trst	26%
23%	500	SIL Cakum	2.50
189%	10360	Steinberg A	14%
12%	100	Veitro Ind	25
14%		Total Sales	7,825,700-sh

7 1/4	14	European Gold	
7 1/4	14		Nov. 2, 1979
22 1/2			Open
17 1/2		London	37.70
		Zurich	37.74
		Paris (12.5 kilo) ...	
		U.S. dollars per ounce.	
		Bank Stock	

-02		84
+23	Bank of Am. S.F. ...	58
-43	Fiduciary Tr.	65
	First Chicago Corp.	57
-85	First Nat. Boston -	63
-90	U.S. Trust Co.	51

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INTERNATIONAL

BUSINESS

Herald Tribune

FINANCE

Published with The New York Times and The Washington Post

PARIS, TUESDAY, NOVEMBER 3, 1970

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In Motor and GM Pact

Link Seen

Isuzu Motor Says

Nov. 2 (NYT).—Isuzu Japan's fourth largest shareholder, has reached a tentative agreement with General Motors covering technical and sales policy, Isuzu said. The agreement is expected to be signed by Isuzu officials in the near future.

Isuzu Motor Says

Nov. 2 (NYT).—Isuzu Motor Co. is negotiating with GM to acquire a 20 percent stake in the company.

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Economic Woes Trouble East Bloc

By Dan Morgan

BELGRADE (WP).—With only two months to go until the end of their current five-year plans, almost every one of Europe's small Communist countries is facing serious economic troubles.

The decision of the Yugoslav federal government last week to crack down on inflation with an industrial price freeze and other measures was a sign that not even this freest of all Communist economies is immune.

Unlike the countries firmly in the Soviet camp, Yugoslavia's problems stem from the confusion of continued decentralization and to a large extent from the boom of recent years. Neither is a problem in the rigid systems of East Germany, Poland, Czechoslovakia, Bulgaria or Romania. All are in difficulties, and only reform-minded Hungary is likely to have its five-year plan completed when a party congress meets in November.

Free Play for Market Forces

East European technocrats and economists who want more free play for market forces and less government interference are watching, as always, to see how Yugoslavia emerges from its present difficulties.

Regional rivalries and the forces unleashed by decentralization were at least partly responsible for the paralysis in Belgrade on national economic decision-making. This was just broken by the cabinet which voted the price freeze, obligatory cash deposits by importers to curb foreign buying on credit and reduction of the level of consumer credit.

Some think that a wage freeze or a devaluation of the dinar could follow if the measures fail to halt the current inflation. The cost of living has risen 10.2 percent since January, and some things such as cab fares have gone up 40 percent. A balance-of-payments deficit of \$200 million is foreseen for this year, and it would be much bigger were it not for the big-spenders tourists who come here from Western Europe each summer, and for the 800,000 Yugoslav workers abroad who send money home.

Yugoslavia's Problems Symptomatic

Yugoslavia's difficulties, though special, are also symptomatic of problems throughout Central Europe, both in reaching the five-year targets set for 1970 and in drafting the new plans.

Czechoslovakia, which has yet to decide on an economic model for the future, will not complete its new draft at least until mid-1971, and there has been speculation that Poland will also be unable to finish its 1971-1975 blueprint by January.

Agricultural difficulties are unprecedented, partly because of unusually bad spring climates and flood. In September, Polish party leader Wladyslaw Gomulka announced that the five-year goal of achieving independence in wheat production had not been reached and that Poland would have to turn again to the Soviet Union.

Spring floods also hurt production in Romania and even in Yugoslavia's northeast Danubian bread basket, one of the richest in Europe.

In June, the 13th session of the East German Central Committee dealt with a host of woes, including tales of waste and inefficiency. Gunter Mittag, the Politburo's economic chief, admitted severe shortages in the electronics and chemical industries—the very ones where East Germany has built its reputation.

Romania, which has shown flexibility and imagination in importing Western technology and know-how, is handicapped by lack of goods marketable in the West. President Nicolae Ceausescu's trip to the United States this month was clearly aimed at advertising the Romanian economy. With heavy loans of the last decade coming due in the next five years, Bucharest is becoming increasingly worried about the credit squeeze.

'Could Handle' Surge in Redemptions

USIF Got Hit by Avalanche, Barish Says

By Philip Greer

NEW YORK, Nov. 2 (WP).—“A one-month surge we could handle. We could handle a two-month surge. What you can't handle is an avalanche.”

Keith Barish sat in a suite in the Carlyle Hotel explaining the debacle of USIF-Real Estate, the \$275 million fund he founded less than four years ago. The fund owns, with mortgages, more than \$800 million in real estate.

USIF, which invested 90 percent of its assets in U.S. real estate, suspended sales and redemptions of shares on Oct. 2. The fund's managers will meet in Nassau next month to decide between several alternatives, all of which would tie up investors' money for five years or more.

“When you talk about \$40 million worth of redemptions in a very short period of time and the likelihood of an equal number in a short period thereafter, you've changed every basis of fact you know,” Mr. Barish went on.

The 20 percent of USIF's assets which was not invested in property was kept in a “liquidity reserve,” deposited in banks in the United States, the Bahamas and Europe. Theoretically, the reserve was designed to allow the fund to redeem shares without having to sell any property, but since the suspension of redemptions, the fund has refused to return it to the fund.

The fund's trustee, Trust Co. of the Bahamas, announced today that it intends to follow up on the previously announced suit against Bank of the Commonwealth in Detroit by filing other suits against a number of U.S. banks to free the blocked funds.

On Sept. 25, the West German banking commission banned sales of USIF shares. By the end of that month, about \$15 million worth of shares were reported to USIF managers, Gramco Management Ltd., for redemption. More than \$20 million was turned in in the first seven days of October. With the liquidity

fund at \$55 million and \$30 million of that blocked by the banks, the fund paid out \$20 million and then closed the window.

Since the suspension, Mr. Barish says, “tens of millions” worth of additional shares have been turned in for redemption.

Agree on Alternatives

Pierre Salinger, ex-press secretary to Presidents Kennedy and Johnson, who is vice-chairman of Gramco Management, and Mr. Barish agree on the alternatives now open to the board. But although they were present at the last meeting, they disagree on some of the decisions reached.

Mr. Salinger says the board determined not to liquidate the fund, which would involve selling more than 220 properties over the next five years. Mr. Barish, however, says the board did not close out any of the options.

According to Mr. Salinger, both Mr. Barish and Raphael Navarro, chairman of Gramco Management, have stopped drawing salaries from the company. Mr. Barish points out that he has not been paid by Gramco since April, 1969, when he moved back to Florida to become chairman of Amprom Inc., the real estate company which scouts investments for USIF.

Mr. Navarro and other top executives, he says, have taken a 10 percent cut in salary.

Five Options

There are, apparently, five avenues open to USIF at this point. They are: liquidation of the assets, re-opening the fund in its old form, conversion to real estate investment trust, conversion to a closed-end fund, whose stock would be traded on an exchange, possibly in this country, and sale of the assets to another company.

According to Mr. Salinger, any of the conversion options would require giving present shareholders the option of going along or cashing in their shares. That, he concedes, might force the fund to sell some properties to meet redemptions. “The holders must get the option,” he says.

Mr. Barish, though, is not quite as definite. “I think the future of the fund is a combination of what management and the custodian (Trust Co. of the Bahamas) think is in the best interests of the shareholders as well as a question of law,” he says, adding that the question of giving shareholders an option will have to wait for the next meeting of the board.

Mr. Barish and Mr. Salinger both insist that, while shareholders will likely have to wait some time, they will get back all their money and, possibly, even more.

Gramco and USIF

In the Saturday-Sunday editions of the International Herald Tribune, a headline erroneously reported that “Banks Block \$30 Million of Gramco Cash.” Actually, as the story noted, it was the cash of the Gramco-managed USIF Real Estate fund that was blocked. The Herald Tribune regrets the error.

Penn Central Acquisitions Hit in Study

Congressional Staff Issues First Report

By Jan Nugent Pearce

WASHINGTON, Nov. 2 (WP).—Penn Central Transportation Co.'s diversification into non-railroad activities seriously drained the railroad's financial resources and “contributed significantly” to its ultimate collapse, a congressional staff report has concluded.

The parent company's acquisition of real estate and other subsidiaries funneled \$175 million in critical cash from the railroad and largely exhausted lines of credit the Penn Central might have used to solve its serious liquidity problems, according to a staff report of the House Banking and Currency Committee.

Committee chairman Wright Patman, D. Texas, said the staff's investigations directly contradicted claims by Penn Central officials that the diversification program provided great benefits and income for the railroad.

Rep. Patman contrasted the \$175 million cash-drain figure with the \$200 million loan the railroad wanted the government to guarantee in June. After initially embracing the plan, the administration and Congress backed away from it.

The railroad then declared bankruptcy and is now in reorganization. The staff study, which will be followed by others detailing specific aspects of the Penn Central's collapse, focused on the effects of the parent company's diversification program on the railroad's cash position.

Only \$189 million in cash came to the railroad from its \$144 million cash investment in four acquisitions, the report concluded. Most of that gain came from one of the four companies acquired by Penn Central.

The return cash flow from three real estate subsidiaries was “very unimpressive,” the committee staff said. “In fact, it would appear the railroad might have realized a greater rate of return by simply investing this money in improving the railroad, rather than venturing into real estate development.”

These bonds have been selling at discounts. The New York Central and Michigan Central 3 1/2s of 1998, for example, sold last week at \$150 for a bond with a face value of \$100. With bondholders sure of getting first preference in the reorganization proceedings.

Since short-selling, even on a sure thing, can be risky, at least one Wall Street house is advising its customers to hedge a bit by executing an arbitrage in bonds of other Penn Central subsidiaries.

Mr. Laddson also points out that the time span of any hedging operation in Penn Central stocks and bonds would involve years, not months, because of the length of the reorganization proceedings. That, he says, would tie up funds that might be employed more profitably elsewhere for a long period.

Hedging Is Advised

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Stocks Trendless on Election Eve

By Vartanig G. Varian

NEW YORK, Nov. 2 (NYT).—Prices on the New York Stock Exchange, playing another round in its favorite current game of wait-and-see, managed to creep slightly higher today.

The Dow Jones industrial average, showing small changes throughout a slow session, finished up 2.40 at 758.01, its best level of the day.

What is the market waiting for?

The outcome of the General Motors strike, now starting its

eight week; the results of tomorrow's midterm elections; the pattern of remaining third-quarter earnings and corporate prospects for the final quarter and then 1971.

On Wall Street, some observers believe that relative success at the polls for Republican candidates will mean a continuation of President Nixon's economic policies. A pronounced swing toward the Democrats, on the other hand, could usher in a re-evaluation of the President's game plan and possible moves to stimulate money supply and employment.

But precisely what a clear-cut

victory for either party would do to the stock market—and the fight against inflation—remained subject to various interpretations, both short-term and long-term.

GM Pays Dividend

One uncertainty at GM was resolved after the market close. The auto giant declared a common-stock dividend of 85 cents—the same rate paid in the three previous quarters of 1970—after reporting last week a third-quarter loss of \$77 million. The stock added 1.4 at 70 5/8.

IBM climbed 5 3/4 to 299 3/4. Brokers said that IBM and Texas Instruments, among other glamour issues, were buoyed by short covering on the part of traders who had sold borrowed shares earlier and bought them back today.

Telex, the most active stock for the last two weeks, topped the list again today as it gained 1 5/8 to 34 1/2.

Natemas Gains

Other advancing stocks on the active roster included Natemas, up 3 to 56 3/8, and University Computing, up 1 1/2 to 22 7/8.

International Nickel, the world's dominant nickel producer, was a feature among the blue chips as it climbed 1 5/8 to 44 3/4. This followed a surprise on the dividend front—where the company raised the quarterly payment and also declared a year-end extra—as well as a report of record profits. The improvement in net income reflected higher prices for nickel.

An increase in third-quarter earnings benefited Anaconda, up 5/8 to 20.

Volume slipped to 847 million shares, thus reinforcing the wait-and-see attitude of investors, from Friday's 10.52 million shares.

Fairchild Camera, which reported a loss and omitted its dividend last week, was actively traded and tacked on 1 1/2 to 20 5/8. The company said it is reducing the working hours and pay of employees.

Union Oil added 1 5/8 to 31 3/4. The company said a test well near its recent offshore Indonesian discovery was tested at the rate of 3,100 barrels daily.

Amex Prices Mixed

On the American Stock Exchange, prices were mixed to slightly lower in light trading. Arkansas Louisiana On, the most actively traded issue, gained 5/8 at 24 7/

Japan Motor Firm and GM Discuss Pact

No Capital Link Seen
Now, Isuzu Motor Says

TOKYO, Nov. 2 (NYT).—Isuzu Motor Co., Japan's fourth largest auto manufacturer, has reached a broad agreement with General Motors Corp. covering technical knowledge and sales policy, Isuzu president Torao Aramaki said yesterday. Isuzu officials are due to visit Detroit shortly to negotiate the details.

The agreement, Mr. Aramaki said, does not include a capital tie-up, although GM is interested in such a move.

The announcement means that all of the big three U.S. automobile manufacturers—GM, Ford and Chrysler—are acquiring footholds in Japan's hitherto jealously guarded automobile industry.

Others Have Links
Chrysler Corp. and Mitsubishi announced plans last spring to establish a joint venture with 35 percent participation by Chrysler. Ford Motor Co. is negotiating to purchase up to 20 percent of Toyota stock.

According to Mr. Aramaki, Isuzu has been negotiating with GM since last August through C. Mohr & Co., one of Japan's major trading companies. Isuzu is one of Japan's top manufacturers of heavy diesel trucks and buses; in the passenger car field it has not been outstandingly successful.

Japan's top two auto manufacturers are Toyota (which produced 730,000 units during the first six months of this year) and Nissan (which produced 686,842 units). Toyota was third with 206,303 while Isuzu trailed with 74,850 units.

Technology Needed
Isuzu, Mr. Aramaki said, needs to import the technology to develop a pollution-free car in a period when restrictions on exhaust gas are likely to become more strict. Isuzu also hopes, he said, to use the GM sales network in marketing six-ton to eight-ton diesel trucks abroad.

Isuzu had been interested earlier in a tie-up with GM. But, under strong pressure from the government and its own banks, Isuzu reached an agreement last spring with Nissan.

Isuzu executives have been disappointed, however, that the agreement did not lead to a merger of Nissan's diesel division with Isuzu, as they had expected. This, together with a weakening of the government's long resistance to the idea of capital tie-ups between Japanese and foreign companies, helped to revive the GM talks.

Among future possibilities, the Isuzu official said, is a four-way tie-up between Isuzu, GM, C. Mohr and Kawasaki Heavy Industries, a major manufacturer of heavy machinery.

GM Comments
DETROIT, Nov. 2 (AP).—General Motors said today it is discussing with Isuzu "various possible cooperation which would afford General Motors potential entry into Japanese markets."

Stocks to Trade On Election Day

NEW YORK, Nov. 2.—The New York and American Stock Exchanges will be open for normal trading tomorrow, Election Day.

Banks and major commodities exchanges, including the Chicago Board of Trade and New York Commodity Exchange, will be closed.

Don't be afraid of our windows.

It's true. You'll see some exquisite—and expensive—jewels in them. Little masterpieces from Brazil. But we stock more modest items, too—starting at just \$5. And everything we sell is fully guaranteed. Come in and see for yourself.

In Europe: PARIS, 3, rue de Castiglione. LISBON, Hotel Ritz, domestic airport. ALGARVE, Hotel Jupiter, and Alvor. TEL AVIV, Hilton Hotel, Lydda airport. JERUSALEM, Hotel Intercontinental. FRANKFURT, Hotel Intercontinental. DUSSELDORF, Hotel Intercontinental and Hilton. MARNE, Hotel Hilton. Also in New York, Miami Beach, St. Thomas (V.I.) and in 9 South American countries.

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H. Stern of Brazil.
The same craftsmanship, quality, full guarantee throughout the world.

Economic Woes Trouble East Bloc

By Dan Morgan

BELGRADE (WP).—With only two months to go until the end of their current five-year plans, almost every one of Europe's small Communist countries is facing serious economic troubles.

The decision of the Yugoslav federal government last week to crack down on inflation with an industrial price freeze and other measures was a sign that not even this freest of all Communist economies is immune.

Unlike the countries firmly in the Soviet camp, Yugoslavia's problems stem from the confusions of continued decentralization, and to a large extent from the boom of recent years. Neither is a problem in the rigid systems of East Germany, Poland, Czechoslovakia, Bulgaria or Romania. All are in difficulties, and only reform-minded Hungary is likely to have its five-year plan completed when a party congress meets in November.

Free Play for Market Forces
East European technocrats and economists who want more free play for market forces and less government interference are watching, as always, to see how Yugoslavia emerges from its present difficulties.

Regional rivalries and the forces unleashed by decentralization were at least partly responsible for the paralysis in Belgrade on national economic decision-making. This was just broken by the cabinet which voted the price freeze, obligatory cash deposits by importers (to curb foreign buying on credit) and reduction of the level of consumer credit.

Some think that a wage freeze or a devaluation of the dinar could follow if the measures fail to halt the current inflation. The cost of living has risen 10.2 percent since January and some things such as car fares have gone up 40 percent. A balance-of-payments deficit of \$200 million is foreseen for this year, and it would

be much bigger were it not for the big spending tourists who come here from Western Europe each summer, and for the 800,000 Yugoslav workers abroad who send money home.

Yugoslavia's Problems Symptomatic
Yugoslavia's difficulties, though special, are also symptomatic of problems throughout Central Europe, both in reaching the five-year targets set for 1970 and in drafting the new plan.

Czechoslovakia, which has yet to decide on an economic model for the future, will not complete its new draft at least until mid-1971, and there has been speculation that Poland will also be unable to finish its 1971-1975 blueprint by January.

Agricultural difficulties are unprecedented, partly because of unusually bad spring climates and flood. In September, Polish party leader Wladyslaw Gomulka announced that the five-year goal of achieving independence in wheat production had not been reached and that Poland would have to turn again to the Soviet Union.

Spring floods also hurt production in Romania and even in Yugoslavia's northeast Danubian bread basket, one of the richest in Europe.

In June, the 13th session of the East German Central Committee dealt with a host of woes, including sales of waste and inefficiency. Guenter Kissel, the Politburo's economic chief, admitted severe shortages in the electronics and chemical industries—the very ones where East Germany has built its reputation.

Romania, which has shown flexibility and imagination in importing Western technology and know-how, is handicapped by lack of goods markets in the West. President Nicolae Ceausescu's trip to the United States this month was clearly aimed at advertising the Romanian economy. With heavy loans of the last decade coming due in the next five years, Bucharest is becoming increasingly worried about the credit squeeze.

'Could Handle' Surge in Redemptions

USIF Got Hit by Avalanche, Barish Says

By Philip Greer

NEW YORK, Nov. 2 (WP).—A one-month surge we could handle. We could handle a two-month surge. What you can't handle is an avalanche.

Keith Barish sat in a suite in the Carlyle Hotel explaining the debacle of USIF-Real Estate, the \$275 million fund he founded less than four years ago. The fund owned, with mortgages more than \$800 million in real estate.

USIF, which invested 80 percent of its assets in U.S. real estate, suspended sales and redemptions of shares on Oct. 3. The fund's managers will meet in Nassau next month to decide between several alternatives, all of which would tie up investors' money for five years or more.

"When you talk about \$40 million worth of redemptions in a very short period of time and the likelihood of an equal number in a short period thereafter, you've changed every basic of fact you know," Mr. Barish went on.

Prices and Incomes Board Abolished by Conservatives

LONDON, Nov. 2 (AP).—The Conservative government tonight announced it was abolishing the National Prices and Incomes Board set up by the Laborite administration five years ago, thus ending Britain's bid to curb inflation by law.

"The best protection for the consumer both as to prices and wages is to be found not in statutory control... but in the processes of competition," Employment Secretary Robert Carr told the House of Commons.

His announcement meant that in the socialist edifice erected by demolishing of yet another brick the Labor government during its nearly six years in power.

Mr. Carr said the board will be allowed to complete the work it is now engaged in before being finally wound up.

Cancellation of the board comes at a time when inflation is running

at \$55 million and \$30 million of that blocked by the banks, the fund paid out \$20 million and then closed the window.

Since the suspension, Mr. Barish said, the fund has received \$20 million of additional shares have been turned in for redemption.

Agree on Alternatives
Pierre Salinger, ex-press secretary to President Kennedy and Johnson, who is vice-chairman of Gramco Management, and Mr. Barish agree on the alternatives now open to the board. But although they were present at the last meeting, they disagree on some of the decisions reached.

Mr. Salinger says the board determined not to liquidate the fund, which would involve selling more than 200 properties over the next five years. Mr. Barish, however, says the board did not close out any of the options.

According to Mr. Salinger, both Mr. Barish and Mr. Salinger, chairman of Gramco Management, have stopped drawing salaries from the company. Mr. Barish points out that he has not been paid by Gramco since April 1969, when he moved back to Florida to become chairman of Ampco Inc., the real estate company which controls investments for USIF. Mr. Navarro and other top executives, he says, have taken a 10 percent cut in salary.

Five Options
There are, apparently, five avenues open to USIF at this point. They are: Liquidation of the assets; re-opening the fund in its old form; conversion to real estate investment trust; conversion to a closed-end fund, whose stock would be traded on an exchange, possibly in this country, and sale of the assets to another company.

According to Mr. Salinger, any of the conversion options would require giving present shareholders the option of giving shares or cashing in their shares. The board, he says, might have the fund to sell some properties to meet redemptions. "The holders must get the option," he says.

Mr. Barish, though, is not quite as definite. "I think the future of the fund is a combination of what management and the custodian (Trust Co. of the Bahamas) think is in the best interests of the shareholders as well as a question of law," he says, adding that the question of giving shareholders an option will have to wait for the next meeting of the board.

Mr. Barish and Mr. Salinger both insist that, while shareholders will likely have to wait some time, they will get back all their money and, possibly, even more.

Gramco and USIF
In the Saturday-Sunday editions of the International Herald Tribune a headline erroneously reported that "Bank Block \$30 Million of Gramco Cash." Actually, as the story noted, it was the cash of the Gramco-managed USIF Real Estate fund that was blocked. The Herald Tribune regrets the error.

Company Reports

Year	1970	1969
Revenue (millions)...	1,400.0	1,100.0
Profits (millions)...	50.3	56.8
Per Share	2.04	2.42

Year	1970	1969
Revenue (millions)...	25.83	21.33
Profits (millions)...	1.17	0.97
Per Share	1.17	0.97

Year	1970	1969
Revenue (millions)...	72.06	79.76
Profits (millions)...	3.23	3.94
Per Share	3.23	3.94

Year	1970	1969
Revenue (millions)...	69.77	65.58
Profits (millions)...	1.86	2.94
Per Share	1.86	2.94

Year	1970	1969
Revenue (millions)...	1.16	0.43
Profits (millions)...	0.05	1.05
Per Share	0.05	1.05

Year	1970	1969
Revenue (millions)...	222.25	219.74
Profits (millions)...	8.51	8.49
Per Share	0.27	0.28

Year	1970	1969
Revenue (millions)...	201.9	228.2
Profits (millions)...	4.95	4.42
Per Share	1.09	0.97

Year	1970	1969
Revenue (millions)...	174.23	180.35
Profits (millions)...	34.03	29.75
Per Share	2.35	2.12

Year	1970	1969
Revenue (millions)...	37.5	44.5
Profits (millions)...	2.0	2.56
Per Share	0.48	0.63

Year	1970	1969
Revenue (millions)...	124.1	140.9
Profits (millions)...	6.78	8.52
Per Share	1.68	2.15

Year	1970	1969
Revenue (millions)...	368.02	315.1
Profits (millions)...	31.52	25.34
Per Share	2.94	2.82

Penn Central Acquisitions Hit in Study

Congressional Staff Issues First Report

By Jan Nugent Pearce

WASHINGTON, Nov. 2 (WP).—Penn Central Transportation Co.'s diversification into non-railroad activities seriously drained the railroad's financial resources and "contributed significantly" to its ultimate collapse, a congressional staff report has concluded.

The parent company's acquisition of real estate and other subsidiaries funneled \$175 million in critical cash from the railroad and largely exhausted lines of credit the Penn Central might have used to solve its serious liquidity problems, according to a staff report of the House Banking and Currency Committee.

Committee chairman Wright Patman, D., Texas, said the staff's investigations directly contradicted claims by Penn Central officials that the diversification program provided great benefits and income for the railroad.

Rep. Patman contrasted the \$175 million cash-drain figure with the \$200 million loan the railroad wanted the government to guarantee in June. After initially embracing that plan, the administration and Congress backed away from it.

The railroad then declared bankruptcy and is now in reorganization. The staff study, which will be followed by other detailing specific aspects of the Penn Central's collapse, focused on the effects of the parent company's diversification program on the railroad's cash position.

Only \$19.9 million in cash came to the railroad from its \$144 million cash investment in four acquisitions, the report concluded. Most of the cash went to pay for one of the four companies acquired by Penn Central, it continued.

The return cash flow from three real estate subsidiaries was "very unimpressive," the committee staff said. "In fact, it would appear the railroad might have realized a greater rate of return by simply investing this money in improving the railroad, rather than venturing into real estate development."

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These bonds have been selling at deep discounts. The New York Central and Michigan Central 3 1/2's of 1987, for example, sold last week at \$150 for a bond with a face value of \$100. With bondholders sure of getting first preference in the reorganization proceedings.

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Analysts Map Strategy: How to Win With a Loser

NEW YORK (NYT).—About the best thing that most Wall Street railroad analysts can say for Penn Central common stock these days is that it looks like a good short sale.

They reason that if and when the company's railroad subsidiary, Penn Central Transportation Co., comes out of reorganization after last June's plunge into bankruptcy, the chances are virtually nil that there will be any assets left for common stockholders after the claims of bondholders have been met.

If there's nothing left for the common stock, the argument goes, the shares will not be worth anything. Penn Central stock traded as high as 24 7/8 earlier this year and as low as 1 1/2 after its subsidiary's bankruptcy move. In 1968, the stock sold at a record high of 86 1/2.

Only \$19.9 million in cash came to the railroad from its \$144 million cash investment in four acquisitions, the report concluded. Most of the cash went to pay for one of the four companies acquired by Penn Central, it continued.

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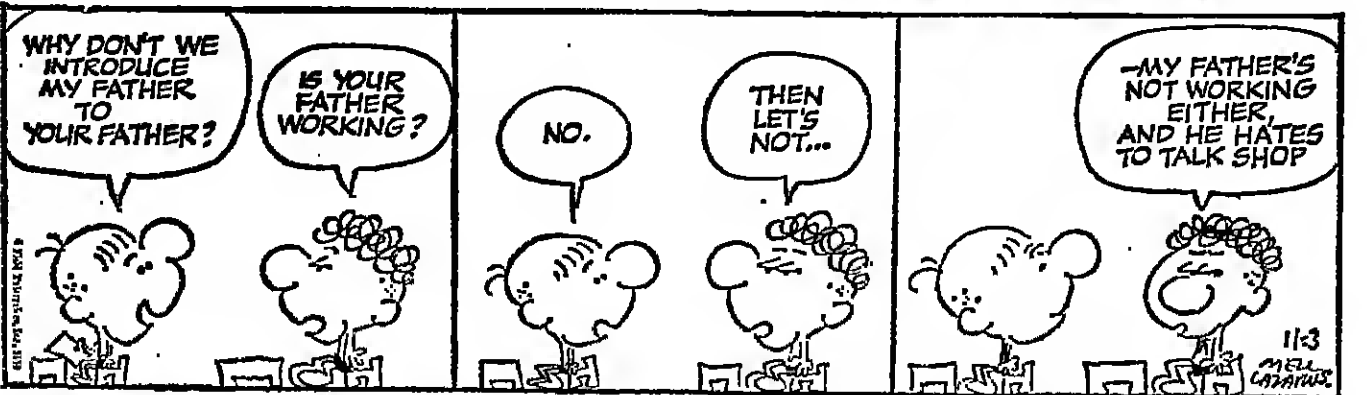
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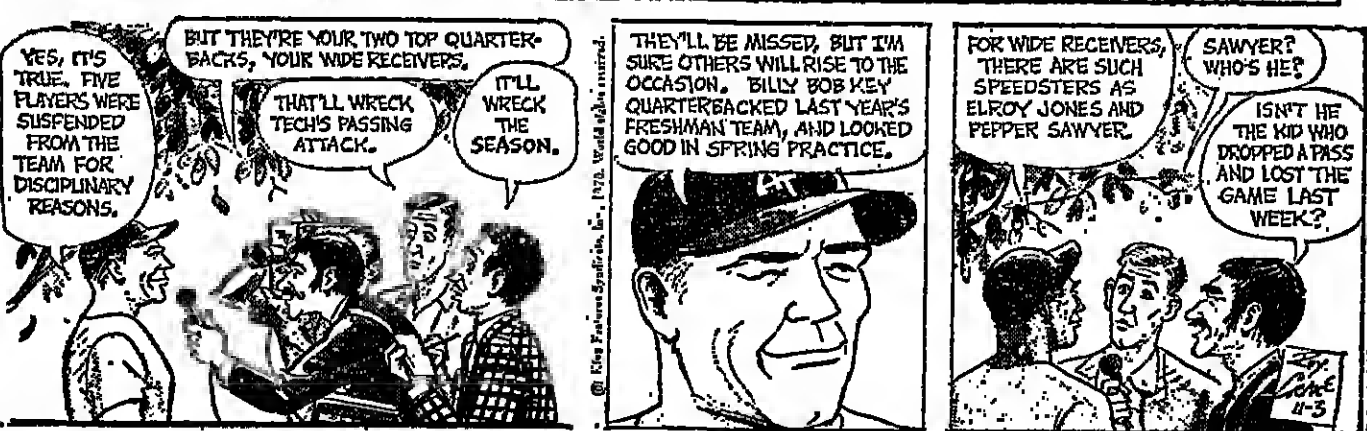
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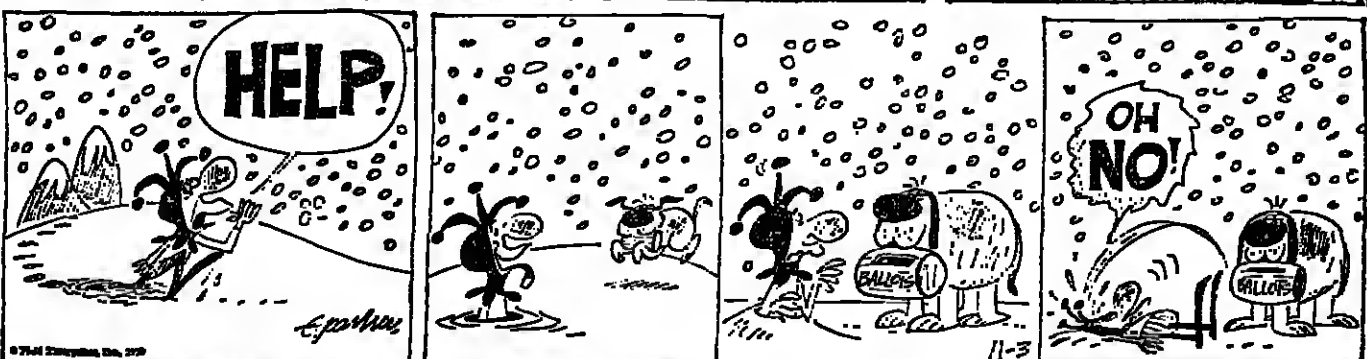
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BUZZ SAWYER



WIZARD OF ID



REX MORGAN M.D.



POGO



RIP KIRBY



BLONDIE



BRIDGE

By Alan Truscott

South could well have bid four spades directly over the one-diamond opening, thereby provoking East to show his clubs at the five-level. Instead, he adopted a step-by-step policy that disguised the power of his hand at the expense of giving the opponents more opportunities to bid.

East hid his hand strongly up to the four level and reluctantly allowed South to play four spades.

It appears that South will lose two tricks in each red suit in the play of four spades. But South found a neat solution to his problem when West made the normal lead of the club jack. This was won in the dummy, and a club was ruffed with a high trump as the first move toward an endplay.

Dummy was entered with a trump lead to the seven, and the remaining club was ruffed. A diamond was then led to the jack in dummy, and East was subjected to an early endplay at the sixth trick.

A club return would have allowed South to discard a loser and ruff in the dummy, while any other play would have given South his 10th trick in one of the red suits.

South knew from the bidding that East held nearly all the high-card strength and at least five cards in each minor suit. He played on the assumption that East held exactly one spade and two hearts. If East had held a second trump, and been able to exit safely, South would have ducked a heart, expecting to find East with a singleton ace.

It turned out that West's "safe" opening lead was the only one that allowed the game to be made. A heart lead would have given the defense the first four tricks. A diamond would have deprived South of his three-card lead, and a trump lead would have removed a crucial entry from the dummy prematurely.

East and West were vulnerable. The bidding:

East 1♠ South 1♦ West 1♥ North 1NT

East 2♣ South 2♠ West 2♥ North 2NT

East 3♣ South 3♠ West 3♥ North 3NT

East 4♣ South 4♠ West 4♥ North 4NT

West led the club jack.

Solution to Previous Puzzle

1	2	3	4	5	6	7	8	9	10	11	12
14	15	16	17	18	19	20	21	22	23	24	25
26	27	28	29	30	31	32	33	34	35	36	37
38	39	40	41	42	43	44	45	46	47	48	49
50	51	52	53	54	55	56	57	58	59	60	61
62	63	64	65	66	67	68	69	70	71	72	73

DENNIS THE MENACE



THIS ISN'T NO WRONG NUMBER! WE BEEN USING IT FOR YEARS!

JUMBLE—that scrambled word game

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

YILCI

CANKK

DULSHO

AGMANE

Print the SURPRISE ANSWER here

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print the SURPRISE ANSWER here

Yesterday's Jumble: ANNUL FAULT BAMBOO HOMING

Answer: What the boss said when asked how many people worked in his office—ABOUT HALF

BOOKS

THE ELEGANT AUCTIONEERS

By Wesley Towner. Completed by Stephen Varble & Wang. 632 pp. Illustrated. \$10.

Reviewed by Christopher Lehmann-Haupt

ON first thought, the idea of a book on America's great art auction houses seems irresistible. The history of the drama of escalating prices in the galleries, the knock-down Rembrandt, the "Bust of Homer" for the price of 30 Cadillac, as one observer mused at the time of the great event.

But on further thought, the prospect palls. The scenarios of auctions vary little. They are side-shows: the fabulous prices that paintings and art objects have fetched have little to do with the world of painting, and anyone who has ever plowed through Gerald R. Sweeney's "The Economics of Taste" knows how dull recitations of artworks and their fluctuating prices can be.

Yet surprisingly enough, Wesley Towner confirms one's first thoughts, for in "The Elegant Auctioneers" he has produced a lively, entertaining, and almost continually absorbing book, and skillfully surmounted a good many obstacles in the process.

He has cheated, of course. Oh, the lists and prices are here, and they will glaze the eyes of readers not fascinated by incense, Tang vases, Futuress, and the like. But they are neatly sandwiched between stories of great fortunes amassed, odd sexual arrangements among the financially mighty and the socially aspiring, famous and occasionally bizarre scandals, strange tastes, and peculiar obsessions.

And just as one begins to tire of reading about tycoons' widows wandering tipsily at midnight among marble Venuses and fountains where like the champagne bubbled, Towner settles into the chronicle of Cordant Field Bishop, his American Art Association, and his two famous auctioneers, Maj. Hiram Haney, Parke and Otto Bernet.

Cordant Bishop, heir to the fortunes of John David Wolfe, "the shrewd Manhattan hardware merchant," and Peter Lorillard "the snuff and tobacco monger" was a sportsman. He bought America's premier auction house in 1923 from the aging Thomas Kirby (the million-dollar voice), installed Parke and Bernet as vice-presidents, and proceeded to run his business from all over the world, tapping out around messages on a portable Corona, and urging his staff to cut back postage and cablegram costs, while his million-dollar collections were passing through his hands. The AAA prospered for a time, absorbed its leading rival, the Anderson Galleries of Mitchell Kennerley, and set new price records almost yearly. But the Depression, legal wrangles, and finally Bishop's death in 1935 brought the house down by collapse. When his widow and her companion tried to install an enemy of the firm as president, Parke and Bernet walked out with 40 staff members and set up Parke-Bernet Galleries, P-B.

went on to new and old records and eventual sale with Sotheby's of London. AG disappeared in a swindle grand larceny, suicide, and der.

There are other stories of course, and amusing lights, like the meteoric value of the rare autograph Button Gwinnett, the man sure of the Declaration of Independence signers. And are more dramatic auction scenes than one would thought possible.

Wesley Towner has told in prose that is aptly on his subject, studded with as obscure and exotic as the Pasha Bengalia's rug tapestries. And Towner himself a master at milking last drops of suspense from the most unromantic drama, the most confusing events. (He died in 1968, quite completing his. Stephen Varble wrote the few chapters without too able a change in style.)

Mr. Lehmann-Haupt is reviewer for The New Times.

Movies

In New York

NEW YORK, Nov. 2—New York Times film critic had this to say about arrivals to city screens.

"Cromwell," directed by Hughes, with Richard Harris, Cromwell and Dorothy Tuttle, Queen Henrietta Maria, a rather nice, serious, and grand introduction to a new time, Vincent Courtneay, and Mr. Harris' well he describes as "a spruced up" historical page.

"I, a Woman Part III" directed by Mac Ahlberg, is a woman (Gun Falko) what Roger Greenspan, a wonderful healthy thin man, that only her de (Roger Sundh) fails to stand. Although he never saw Part II and really remember. Part II "finds it impossible to ignore the tenacity of the series, and 'he looks hopefully' to the last of 'Burn!' Gillo Pontecorvo's first film since 'The B. Algers,' seems an attempt to dramatize not only the freedom but also the Caribbean heritage. Canby. Indeed, 'it's so broad, so grand, so critic's opinion, 'that it is dominated by the British secret agent (Brando), nor the 'black var,' played by Evaristo Gueez. But Mr. Brando b sides 'worth watching, almost any circumstances.

CROSSWORD—By Will H.

ACROSS

1 Lead a hand

5 Hokum

9 About

14 Certain shape

15 Calhoun

16 Of a space

17 Western sight

18 Setting apart

20 Lures

22 Part of a golf club

23 Lose interest

24 Peer Gyn's mother

25 Drink

26 Serpent

29 Enforce

31 German area

33 Prolong the coffee break

35 Pry

37 Newton

40 Accuse in a courtly way

42 Get feline revenge

44 Dress material

45 Cliff

47 Mother of Apollo

48 Kind

50 Colors

52 Engage in seamy work

53 Iowa Indians

55 rule

57 First

59 Noun form: Abbr.

60 Examine oneself

65 Clearly

67 Toward shelter

68 "..." horse

69 Scent

70 Trick

71 Lapse

72 Confirms

73 Defeats at bridge

DOWN

1 Direct to a target

2 On the level

3 Foot model

4 Without frills

5 Stable-owner's concern

6 Soil

7 Overdue debts

8 Church songs

9 Gas users

10 Annoy

11 Keeps on making a point

12 Hiawatha's

13 Writer of

14 Sweetop

19 Camper's

25 Kind of metabolism

26 Word of reg

27 Short-billed

28 Perilously

30 Ages

32 Broadcast

34 Goes to the

36 Biblical by

38 Deed, in Fr.

39 Dog

41 Pen pal

42 Greeting

46 Parlor-gam subject

49 Vanish; Sc

51 Drink slow

53 Heavy stal

54 Go, in Fr.

56 Sharpen razor

58 Darlings

60 River in B.

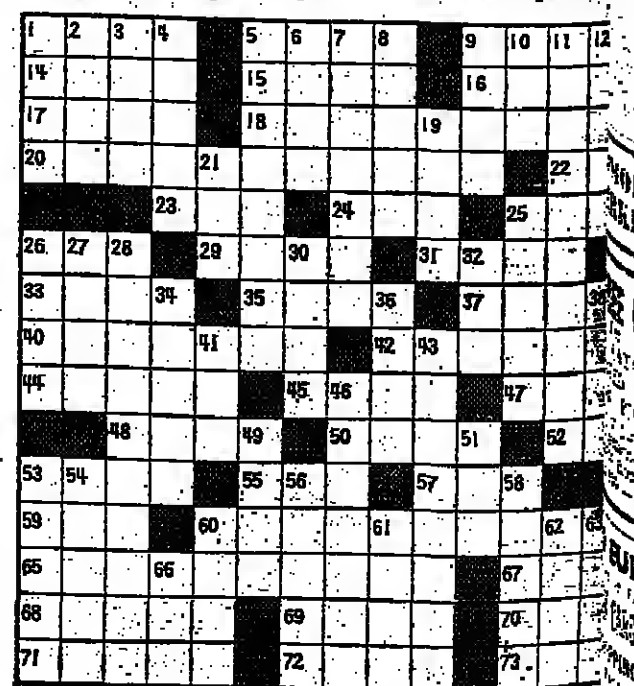
61 Panay ton

62 Hint

63 Tryout

64 Observe

66 Japanese



هكذا من الأوصاف